

8

AMENDMENT TO H.R. 3121, AS REPORTED
OFFERED BY MR. TAYLOR OF MISSISSIPPI

At the end of the bill, add the following new section:

1 **SEC. 30. REQUIREMENTS RELATING TO WINDSTORM AND**
2 **FLOOD.**

3 (a) **WRITE-YOUR-OWN INSURERS** .—Section 1345 of
4 the National Flood Insurance Act of 1968 (42 U.S.C.
5 4081) is amended by adding at the end the following new
6 subsection:

7 “(d) **REQUIREMENTS FOR WRITE-YOUR-OWN INSUR-**
8 **ERS RELATING TO WINDSTORM AND FLOOD.**—The Direc-
9 tor may not utilize the facilities or services of any insur-
10 ance company or other insurer to offer flood insurance
11 coverage under this title unless such company or insurer
12 enters into a written agreement with the Director that
13 provides as follows:

14 “(1) **PROHIBITION ON EXCLUSION OF WIND**
15 **DAMAGE COVERAGE.**—The agreement shall prohibit
16 the company or insurer from including, in any policy
17 provided by the company or insurer for homeowners’
18 insurance coverage or coverage for damage from
19 windstorms, any provision that excludes coverage for

1 wind or other damage solely because flooding also
2 contributed to damage to the insured property.

3 “(2) FIDUCIARY RESPONSIBILITY.—The agree-
4 ment shall provide that the company or insurer—

5 “(A) has a fiduciary duty with respect to
6 the Federal taxpayers;

7 “(B) in selling and servicing policies for
8 flood insurance coverage under this title and
9 adjusting claims under such coverage, will act
10 in the best interests the national flood insur-
11 ance program rather than in the interests of the
12 company or insurer; and

13 “(C) will provide written guidance to each
14 insurance agent and claims adjuster for the
15 company or insurer setting forth the terms of
16 the agreement pursuant to subparagraphs (A)
17 and (B).

18 “(3) METHODOLOGY FOR CALCULATING FLOOD
19 AND WIND DAMAGE.—The agreement shall provide
20 for the company or insurer—

21 “(A) to set forth in writing, to the satisfac-
22 tion of the Director, the principles, procedures,
23 and methodologies that the company or insurer
24 will use to determine and calculate, in cases of
25 claims in which there is evidence that both wind

1 and flood may have caused damage, what dam-
2 age is caused by wind and what damage is
3 caused by flood; and

4 “(B) to use such principles, procedures,
5 and methodologies in such cases.”.

6 (b) DIRECTOR.—Part C of chapter 2 of such Act (42
7 U.S.C. 4081 et seq.) is amended by adding at the end
8 the following new section:

9 “REQUIREMENTS OF DIRECTOR RELATING TO
10 WINDSTORM AND FLOOD

11 “SEC. 1349. (a) CLAIMS ADJUSTER MANUAL.—The
12 Director shall ensure that any manual published by the
13 Director relating to claims adjustment under the flood in-
14 surance program includes information on the requirements
15 of section 1345(d).

16 “(b) GUIDANCE FOR ADJUSTING LOSS CLAIMS.—
17 The Director shall provide each insurance company or
18 other insurer that the Director enters into a contract,
19 agreement, or other appropriate arrangement with for the
20 purpose of utilizing the facilities of such insurance com-
21 pany or other insurer under section 1345 with written
22 guidance on the adjustment of claims in cases in which
23 there is evidence that both wind and flood may have
24 caused damage.

25 “(c) INSPECTION OF DAMAGE.—The Director shall
26 provide for the inspection of each property that is the sub-

1 ject of a claim under the flood insurance program in which
2 there is evidence that both wind and flood may have
3 caused damage to such property to ensure that—

4 “(1) the determination of what damage was
5 caused by wind and what damage was caused by
6 flood is fair and equitable; and

7 “(2) the claimant did not receive payment
8 under the flood insurance program for any damage
9 caused by wind.”.